

complaint

Mr G's complaint is that Simplyhealth Access has chosen to discontinue his private medical insurance policy.

background

In 1987, Mr G took out a 'private patients scheme' (PPS) with Simplyhealth. The premiums for the PPS were calculated using the age band that applied when he took it out.

In 2015, Simplyhealth told Mr G it had decided to discontinue the PPS from April 2016. It offered Mr G the option of taking out a new policy with Simplyhealth. Mr G was unhappy that the premiums under the new policy would be calculated differently to the PPS.

Simplyhealth then told Mr G that it had decided to withdraw from the private medical insurance market, and that a new insurer would be taking over this side of its business. Simplyhealth told Mr G that the new insurer would take over his policy from April 2016, and would provide him with alternative cover from this date if he wishes.

Unhappy with this, Mr G brought a complaint to this service. Our adjudicator didn't uphold the complaint. She thought Simplyhealth was entitled to discontinue the policy.

Mr G didn't agree with the adjudicator's opinion. So the matter has been passed to me to consider.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Mr G says he understood the cover provided under the PPS was permanent. He disagrees with the adjudicator that the policy was annually renewable.

I've looked at the original policy document, and this says:

"The contract is an annual one renewable from year to year at the option of the Contributor subject to the Rules in force at the date of renewal by payment of the then current contribution."

The 'contributor' is defined as *"The party contracting with the Association."*

It's therefore clear from the original terms (and I'm satisfied the more recent terms too) that the policy is an annual one. So long as Mr G pays the renewal premium, then it will renew.

But the original terms also say:

"The Association reserves the right not to renew a registration if:-

...

iii For any other reason the Association ceases to conduct a Private Patients Scheme."

Simplyhealth has also provided the policy terms that were in force in 2015, and these say it can discontinue the PPS, in which case it will offer alternative arrangements for cover.

I haven't seen anything to suggest Mr G was given any guarantees about the future cover under the policy. The policy was annually renewable, and the terms and conditions allowed Simplyhealth to discontinue it. The terms say that if this happened, Simplyhealth would offer alternative arrangements for cover.

Simplyhealth did offer alternative cover, and I understand Mr G had concerns about the policy offered by Simplyhealth. But these concerns are unfortunately no longer relevant, as that policy's not available now either. Instead, a new insurer has taken over Simplyhealth's private medical insurance business and will offer Mr G alternative cover from April 2016.

I can understand Mr G's disappointment that he'll soon lose the PPS cover he's enjoyed for so many years. But Simplyhealth was able to discontinue the policy, and had made a commercial decision to do so, even before it decided to sell all of its private medical insurance business. Given that Mr G has been offered alternative arrangements for cover (albeit through a different insurer), I think Simplyhealth has complied with the policy terms.

my final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 22 April 2016.

Chantelle Hurn-Ryan
ombudsman